

Standard Operating Procedures For Mandatory Price Reporting Quarterly Reviews

General:

- All packers reporting under the mandatory price reporting program will be audited at least once each quarter.
- A quarterly audit schedule will be followed.
- Reviews may be more frequent if situations warrant.

Pre-Review Procedures:

- The reviewer will pull a random sample of records by lot from the data submitted by the packer for each required reporting area (cattle, swine, lamb, boxed lamb, lamb carcasses, and boxed beef).
- The sample will be representative of approximately XXX percent of the total number of lots submitted by the packer for that quarter for each required reporting area.
- The list of randomly selected sample records will be downloaded on to the reviewer's laptop computer.
- The reviewer will notify the packer in advance of the intended review.

Review Procedures:

- Once at the packer's facility the reviewers will contact the proper packer representative and announce themselves.
- Upon arrival at the packers recordkeeping location the reviewer will provide the representative with a listing of the randomly selected records they would like to review.
- The reviewer will request access to all supporting records (section 59.20 Recordkeeping).
- The reviewer will compare all of the randomly selected records to the packer's corresponding supporting records.
- The reviewer will record all findings.
- If inconsistencies are found between the (randomly selected) submitted records and the supporting documents, additional supporting information may be requested from the packer representative.
- All inconsistencies should be recorded by the reviewer.
- After the review is completed the reviewer will look at the inconsistencies with the packer representative.
- The packer representative will be given a chance to explain the inconsistencies.

Post Review Procedures:

- The reviewer will write up a report using the standard reporting format (attached).
- The report will be submitted electronically to the compliance supervisor, for review by the Livestock and Grain Market News branch chief.
- After the branch chief reviews the report a copy will be sent to the packer, along with any other documentation that needs to be sent such as a cease and desist letter or a fine for not obeying a prior cease and desist letter.